



# ANNUAL REPORT 2025

## **CHAIR'S REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **IT IS MY PLEASURE TO PRESENT CIVIC FINANCIAL SERVICES LIMITED'S 65TH ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025.**

The past year has been one of high activity, delivery and change across the Civic group. Against a backdrop of economic uncertainty, market volatility and ongoing reform within the local government sector, Civic has gone from strength to strength as a trusted service provider, administrator and steward of sector owned financial arrangements.

Our deliberate investment in people, systems and capability in 2025 ensures Civic remains resilient, responsive and well positioned for the future, and ended with a modest surplus, in line with our aim to minimise surpluses and keep superannuation fees for members as low as possible.

---

### **Civic Financial Services**

Civic Financial Services exists to support local government through the provision of specialist financial administration, governance support and sector-focused expertise. Civic owns Local Government Superannuation Trustee Limited (LGST) and Local Government Mutual Funds Trustee (LGMFT). We provide administrative and management services to LGST for their two superannuation schemes (SuperEasy KiwiSaver Superannuation Scheme & Local Government Superannuation Scheme), LGMFT for their two liability products (NZ Mutual Liability Riskpool & Civic Liability Pool), as well as the Local Authority Protection Programme (LAPP).

In 2025, Civic's operational focus was on strengthening organisational capability and investing for the future. This included:

- targeted recruitment,
- refinements to organisational structure,
- investment in technology, and
- relocation to more appropriate premises.

Civic continued to maintain relationships across the sector, particularly with Taituarā and Local Government New Zealand (LGNZ). Engagement with councils increased markedly during the year through in-person tailored presentations, sector events, and webinars.

The Board remains confident that Civic's strategy—focused on service excellence, sector relevance and prudent governance—provides a strong platform for the years ahead.

---

### **Local Government Superannuation Trustee Limited (LGST)**

Despite a challenging investment and economic environment, the Schemes experienced strong growth in funds under management, reaching approximately \$700 million by the end of 2025, the highest level achieved to date.

The Schemes' fund annualised gross returns ranged from 7.12% to 14.43% for the calendar year. An amazing result. We encourage you to take advantage of this fantastic recruitment and retention tool by ensuring your staff are aware of this resource.

---

## Riskpool and Civic Liability Pool (CLP)

Riskpool and CLP are long standing, sector-owned mutual liability arrangements that have, for a number of years, been in run-off. Civic provides administrative services to these entities.

During 2025, Civic continued to deliver quality financial reporting, governance support, transparency and member engagement. Significant effort was directed toward clearing historic matters, preparing accounts for audit, and supporting the Boards' understanding of key assumptions and risks.

---

## Local Authority Protection Programme (LAPP)

LAPP continues to play a critical role in supporting councils with catastrophic infrastructure loss, particularly as the sector navigates ongoing reform in the water services environment. As LAPP's administrator, the Civic team have provided 'business as usual' services and responded enthusiastically to the opportunities presented by the emerging **Local Water Done Well** framework.

The Board acknowledges the significant work undertaken to position LAPP for the future and recognises its enduring value to councils as a sector-owned risk mitigation arrangement.

---

## Our people and looking ahead

Across all parts of the Group, Civic's people have been central to delivery. The Board sincerely thanks the management team and staff for their professionalism, commitment and strong connection to the sector.

Looking ahead, Civic enters 2026 with strong foundations, enhanced capability and clear purpose. The Board is confident that Civic and the entities it supports are well placed to continue delivering for the sector.

On behalf of the Board, I thank our members, councils, partners and shareholders for their continued trust and support.



---

Craig Stevenson, **Chair**  
April 2026

<b>DIRECTORS' REPORT</b>	<b>1</b>
<b>DIRECTORY</b>	<b>5</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>6</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>10</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>11</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>12</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>13</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>14</b>
<b>SHAREHOLDERS' DETAILS</b>	<b>BACK COVER</b>

**ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Your Directors have pleasure in submitting the 65th Annual Report of the affairs of the Company, Civic Financial Services Limited ('Civic'), for the year ended 31 December 2025, which is to be presented at the Annual General Meeting of Members in June 2026.

Directors operate under a Charter which outlines the specific role and responsibilities of the Board. Each Director must be assessed as being fit and proper in accordance with Civic's Fit and Proper Policy and at least two Directors must be independent, being neither a member or an employee of a local authority. The Directors are all subject to Civic's Code of Conduct. The Board has a Risk and Audit Committee which is governed by its own Charter and is responsible for maintaining the Board's risk management processes and policies, including ensuring compliance with regulatory and legal standards.

**1. PERFORMANCE**

Civic's before-tax profit in 2025 was \$22,881.

This compares unfavourably to the budgeted before-tax surplus of \$133,750 as set out in the 2025 Statement of Intent.

This decreased profit is primarily due to increased costs over the year for staff remuneration, Directors Fees, office relocation costs, legal and consultancy expenses. The increased staff remuneration was partially recovered through increased administration fees charged.

**2. OPERATIONS****Administration Services**

Fees in 2025 from providing services to LAPP, Riskpool, the Local Government Superannuation Scheme and the SuperEasy KiwiSaver Superannuation Scheme were \$3,416,223 (2024: \$3,039,014).

**Investment Revenue**

Income from investments was \$429,791 (2024: \$552,013).

**Sponsorship and Support for the Sector**

Civic continues as a sponsor of Taituarā – Local Government Professionals Aotearoa events both at a regional and national level.

**3. ASSOCIATED ENTITIES****Local Government Superannuation Trustee Limited**

Local Government Superannuation Trustee Limited (LGST) is a 100% subsidiary of Civic and is the trustee to the Local Government Superannuation Scheme (SuperEasy Employer Scheme) and SuperEasy KiwiSaver Superannuation Scheme. Both Schemes are administered by Civic and are registered with the Financial Markets Authority. Director appointments to LGST are made by Local Government New Zealand (two), Civic (one), Council of Trade Unions (one), Taituarā (one) and one, who must be a Licensed Independent Trustee, by the LGST Board.

The Schemes feature low member charges and simple administration for councils. The Schemes offer an 'Automatic Fund', in which each member's risk exposure is gradually and automatically switched from growth assets to income assets as the member gets older. The SuperEasy website is [www.supereasy.co.nz](http://www.supereasy.co.nz).

The Schemes have a combined membership of 11,174 (December 2024: 11,376), with funds under management as at December 2025 of \$700 million (December 2024: \$629 million). Out of the 78 councils in the country, 72 (December 2024: 71) have chosen SuperEasy KiwiSaver as their Preferred KiwiSaver Provider, and 72 (December 2024: 70) have participated in the SuperEasy Employer Scheme.

The investments of the Schemes funds are managed by the investment fund managers according to their agreements with the Company. The current investment funds managers are Harbour Asset Management Limited and Mercer (NZ) Limited.

## DIRECTORS' REPORT

### LAPP Disaster Fund

LAPP is a charitable trust that was set up by LGNZ and Civic in 1993 to assist with the reinstatement of lost or damaged local government underground infrastructure. There are currently 22 council members in LAPP. LAPP's website is: [www.lapp.org.nz](http://www.lapp.org.nz). Civic is the administration and fund manager for LAPP.

### Riskpool / Civic Liability Pool (CLP)

Riskpool provides public liability and professional indemnity cover for councils and has done so since 1997. It is a mutual liability fund governed by a trust deed and can call on its member councils for financial support. CLP is similar to Riskpool but has no facility for calls. Riskpool and CLP ceased providing cover from 1 July 2017 and are both in run-off mode. Riskpool is currently working through some claims that involve both weathertight and non-weathertight issues (mixed defect claims) before it can be wound up.

Local Government Mutual Funds Trustee Limited (LGMFT) is the trustee of Riskpool and CLP. Civic is the Fund Manager and Scheme Manager for Riskpool and Administration Manager for CLP.

A new loan agreement providing short term funding of up to \$1,000,000 was entered into between Civic and LGMFT on behalf of Riskpool, during the year. No funding has been drawn down under the new agreement.

### Civic Property Pool (CPP)

Civic Property Pool ("CPP") was a charitable trust registered on 10 August 2012 with the main objective to provide financial assistance for the reinstatement of lost or damaged local authority infrastructure and assets. Civic was the administration manager for CPP. Following a long period of inactivity since 2017, the wind-up of CPP was completed in March 2025.

## 4. DIRECTORS

As at 31 December 2025 there were five Civic directors: Marty Grenfell, Nicola Mills, Ken Morris, Sue Bidrose, and Craig Stevenson (Chair).

### Director attendances at Board meetings held in 2026:

Marty Grenfell	7 / 8
Nicola Mills	7 / 8
Ken Morris	8 / 8
Craig Stevenson	7 / 8
Sue Bidrose	8 / 8

### Section 139 of the Companies Act 1993

All Civic directors are directors of LGMFT except for Sue Bidrose who is independent of LGMFT.

There are no other notices required under section 139 of the Companies Act 1993 except for Directors' remuneration. Changes to the Directors' fee pool are approved by shareholders at an AGM. The Board determines the allocation per Director based on the duties of the individual Director. The Director fees for subsidiary companies are set by the Civic Board.

For the year ended 31 December 2025, Directors' remuneration was:

Marty Grenfell	\$18,010
Nicola Mills	\$27,013
Ken Morris	\$18,010
Sue Bidrose	\$18,010
Craig Stevenson	\$36,020
	<b>\$117,063</b>

In addition, the following Directors received fees in relation to their directorships of LGMFT:

Marty Grenfell	\$40,000
Nicola Mills	\$23,000
Ken Morris	\$23,000
Craig Stevenson	\$20,000
	<b>\$106,000</b>

### Interests Register

Directors' interests are tabled at the beginning of each Board meeting. Directorship and other disclosures as at 31 December 2025 were:

Marty Grenfell	Chair of Local Government Mutual Funds Trustee Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Chief Executive of Tauranga City Council; Director of Bay of Plenty Local Authority Shared Services (BoPLASS); Trustee of Te Manawataki o Te Papa Settlement Charitable Trust
----------------	--

**DIRECTORS' REPORT**

Nicola Mills	Director of Local Government Mutual Funds Trustee Ltd; Chief Financial Officer of City Rail Link Ltd
Ken Morris	Director of Local Government Mutual Funds Trustee Ltd; Member of Local Government Superannuation Scheme and SuperEasy KiwiSaver Superannuation Scheme; Treasurer of Waipa Community Trust; Shareholder / Director Morris Manapouri Investments Limited and Groovy Food Catering Co. Ltd; Trustee of Harry and Pauline Morris Family Trust; Chair of Village Lake Apartments Body Corporate (Hanmer Springs); Director of KM Solutions & Advisory (including contract work for Matamata-Piako District Council); Chair of Te Awamutu Christian Churches Trust
Craig Stevenson	Director of Local Government Mutual Funds Trustee Ltd; Member of Local Government Superannuation Scheme and SuperEasy KiwiSaver Superannuation Scheme; Trustee of Ratanui Trust; Director of Stevenson & Associates; Wife Fiona Aitken being the Chief Executive of South Taranaki District Council (one of Civic's members/owners)
Sue Bidrose	Trustee of Wise Charitable Trust and Chair of Wise Subsidiaries (Te Pou Ltd and Blueprint Ltd); Director of Wise subsidiaries - Westella Ltd and Social Innovation Ltd; Director of Meadow Mushrooms Ltd and Cypress Enterprise Ltd; Commissioner of Local Government Commission; Director of Research Funding New Zealand

The Company provides Directors and officers with, and pays the premiums for, Directors' and Officers' liability insurance to the full extent allowed for in accordance with the requirements of the Companies Act 1993. The renewal of the Company's Directors' and Officers' liability insurance was entered in the Interests Register pursuant to sections 162 and 163 of the Companies Act 1993. The insurance does not cover liabilities arising from criminal actions or deliberate and reckless acts or omissions by the Directors. The cover includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity.

**Use of Information**

Directors, individually or collectively, may obtain independent professional advice relating to any matters concerning the Company's business or in relation to the discharge of the Director's responsibilities. Subject to approval of the Chair the Company will reimburse the Director(s) some or all of the reasonable costs of the advice. During the reporting period, no Director has sought leave to obtain such advice.

**Loans to Directors**

No loans or advances have been made to Directors, their spouses or dependants, or to related parties during the year.

**5. EMPLOYEE REMUNERATION**

Detailed below is the number of employees who received remuneration of \$100,000 or more in their capacity as employees during the year ended 31 December 2025.

Remuneration	Number of Employees
\$100,000 – \$110,000	3
\$110,000 – \$120,000	1
\$180,000 – \$190,000	1
\$290,000 – \$300,000	1

The above remuneration includes Company contributions to employees' superannuation (KiwiSaver and other), medical insurances and discretionary bonus payments.

**6. AUDIT AND RISK MANAGEMENT**

Pursuant to Section 15 of the Public Audit Act 2001 the Company's auditor is the Auditor General who has appointed Hamish Anton using the staff and resources of Deloitte Limited to carry out the audit on his behalf.

The Risk and Audit Committee comprises the full Board. Nicola Mills was appointed Chair of this committee on 17 June 2022. The Committee met five times in 2025: the Auditor attended three of those meetings and at one of those meetings proceedings took place without management present.

## DIRECTORS' REPORT

### 7. DONATIONS

No donations have been made during the year by any Company in the Group (2024: \$0).

### 8. STAFF

The Directors sincerely thank the staff - Charlie Howe, Glenn Watkin, Ian Brown, Racheal Harold, Ivy Liang, Lisa Lummis, Jen McGahan, Henda Chandrasena, Wendy Riley, David Lloyd, Sarah Westgarth and Stephen Ferson - for their work and support during the year.



---

Craig Stevenson, **Chair**  
April 2026

***DIRECTORS***

Craig Stevenson (Chair)

Marty Grenfell

Nicola Mills

Ken Morris

Sue Bidrose

***EXECUTIVE OFFICERS***

**Chief Executive** : Charlie Howe

**Chief Financial Officer** : Glenn Watkin

COMPANY REGISTRATION NO: 13271

***AUDITORS***

The Auditor General, who has appointed Hamish Anton, Deloitte Limited to carry out the audit on his behalf

***BANKERS***

ANZ Banking Group (New Zealand) Limited

***LEGAL ADVISERS***

Dentons Kensington Swan

***REGISTERED OFFICE***

Level 6, Wellington Chambers, 154 Featherston Street, Wellington 6011

***POSTAL ADDRESS***

Civic Financial Services Ltd, PO Box 5521, Wellington 6140

***OTHER CONTACT DETAILS***

Telephone: (04) 978 1250

Email: [admin@civicfs.co.nz](mailto:admin@civicfs.co.nz)

Website: [www.civicfs.co.nz](http://www.civicfs.co.nz)

The Company is a participant in the Insurance & Financial Services Ombudsman Scheme (Inc)  
Participant Number 2000427

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF CIVIC FINANCIAL SERVICES LIMITED'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Auditor-General is the auditor of Civic Financial Services Limited and its subsidiaries (the 'Group'). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated financial statements of the Group on his behalf.

#### OPINION

We have audited the consolidated financial statements of the Group on pages 10 to 31, that comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include accounting policies and other explanatory information.

In our opinion, the consolidated financial statements of the Group:

- present fairly, in all material respects:
  - its financial position as at 31 December 2025; and
  - its financial performance and cash flows for the year then ended.
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our audit was completed on 17 April 2026. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the consolidated financial statements, we comment on other information and we explain our independence.

#### BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible on behalf of the Group for preparing consolidated financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT

In preparing the consolidated financial statements, the Board of Directors is responsible, on behalf of the Group, for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Companies Act 1993.

### RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these consolidated financial statements.

We did not evaluate the security and controls over the electronic publication of the consolidated financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## INDEPENDENT AUDITOR'S REPORT

### INDEPENDENCE

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as the auditor and the provision of other assurance services, we have no relationship with, or interests in, the Group.



**Hamish Anton**  
**Deloitte Limited**  
On behalf of the Auditor-General  
Wellington, New Zealand

# Statement of Accounts

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	2025 \$	2024 \$
<b>REVENUE</b>			
Administration Fees	17	3,416,223	3,039,014
Interest Income	4	429,791	552,013
Other Income		301	-
<b>Total Revenue</b>		<b>3,846,315</b>	<b>3,591,027</b>
<b>EXPENDITURE</b>			
Audit Fee	14		
Statutory Audit of the Financial Statements		58,207	52,327
Other Fees Paid to Auditors for Assurance Services		38,005	37,298
Other Fees Paid to Auditors for Entities Administered by Civic		108,949	73,786
Depreciation	7	14,756	10,923
Amortisation	7	35,166	41,644
Directors' Remuneration	3	117,063	113,441
Other Expenses	6	2,050,802	1,830,582
Employee Remuneration		1,342,100	1,118,843
Superannuation Subsidies		58,386	49,557
<b>Total Expenditure</b>		<b>3,823,434</b>	<b>3,328,401</b>
<b>Surplus Before Taxation</b>		<b>22,881</b>	<b>262,626</b>
Taxation Expense	10	9,396	76,261
<b>TOTAL COMPREHENSIVE SURPLUS AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>15</b>	<b>13,485</b>	<b>186,365</b>

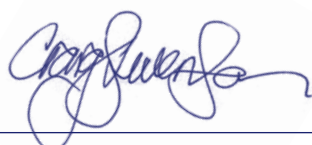
This statement is to be read in conjunction with the notes on pages 14 to 31.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2025

	NOTE	2025 \$	2024 \$
<b>SHAREHOLDERS' EQUITY</b>			
<b>Issued and Paid-Up Ordinary Shares</b>			
Ordinary Shares fully paid up	15	10,763,506	10,763,506
Retained (Deficit) / Earnings	15	(88,949)	(102,434)
<b>TOTAL EQUITY</b>		<b>10,674,557</b>	<b>10,661,072</b>
Represented By:			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		183,621	1,445,290
Term Deposits		8,995,000	7,870,665
Accrued Interest		127,594	184,596
Sundry Debtors and Prepayments	12	642,451	469,703
<b>Total Current Assets</b>		<b>9,948,666</b>	<b>9,970,254</b>
<b>NON CURRENT ASSETS</b>			
Property and Equipment	7	122,186	31,232
Intangible Assets (Software)	7	73,057	50,826
Deferred Tax Asset	10	833,982	843,378
<b>Total Non Current Assets</b>		<b>1,029,225</b>	<b>925,436</b>
<b>TOTAL ASSETS</b>		<b>10,977,891</b>	<b>10,895,690</b>
<b>CURRENT LIABILITIES</b>			
Sundry Creditors and Accrued Charges	12	190,879	145,922
Accrued Holiday Pay		112,455	88,697
<b>Total Current Liabilities</b>		<b>303,334</b>	<b>234,619</b>
<b>TOTAL LIABILITIES</b>		<b>303,334</b>	<b>234,619</b>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<b>10,674,557</b>	<b>10,661,072</b>

For and on behalf of the Board of Directors



CRAIG STEVENSON Director 17 April 2026



NICOLA MILLS Director 17 April 2026

This statement is to be read in conjunction with the notes on pages 14 to 31.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	2025 \$	2024 \$
<b>OPENING EQUITY</b>		10,661,072	10,474,707
Total Comprehensive Surplus Net of Tax		13,485	186,365
<b>CLOSING EQUITY</b>		<b>10,674,557</b>	<b>10,661,072</b>

This statement is to be read in conjunction with the notes on pages 14 to 31.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	2025 \$	2024 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Administration Fees Received		3,307,226	3,105,985
Other Income		301	-
		3,307,527	3,105,985
<b>Cash was applied to:</b>			
Payments to Suppliers and Employees		3,768,546	3,296,230
		3,768,546	3,296,230
<b>Net Cash Flow (used in) / from Operating Activities</b>	<b>11</b>	<b>(461,019)</b>	<b>(190,245)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Investment Income		486,792	432,673
Term Deposits		7,870,665	6,651,929
		8,357,457	7,084,602
<b>Cash was applied to:</b>			
Term Deposits		8,995,000	8,155,664
Purchase of Property, Plant and Equipment		105,710	13,433
Purchase of Intangible Assets		57,397	69,308
		9,158,107	8,238,406
<b>Net Cash Flow (used in) / from Investing Activities</b>		<b>(800,650)</b>	<b>(1,153,804)</b>
Net (Decrease) / Increase in Cash Held		(1,261,669)	(1,344,049)
Opening Cash Balance as at 1 January		1,445,290	2,789,339
<b>Closing Cash Balance as at 31 December</b>		<b>183,621</b>	<b>1,445,290</b>
<b>Being:</b>			
<b>Cash and Cash Equivalents</b>		<b>183,621</b>	<b>1,445,290</b>

This statement is to be read in conjunction with the notes on pages 14 to 31.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### NOTE 1 REPORTING ENTITY

The reporting entity is Civic Financial Services Limited (the "Company"). The Group comprises the Company and its subsidiaries listed in note 2 (b). The Group provides financial services principally for New Zealand local government.

#### Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 2013, which include the requirement to comply with New Zealand general accepted accounting practice (NZ GAAP). The Group is a Tier 2 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with PBE Standards RDR. The Group is eligible and has elected to apply the PBE Standards RDR because its expenses are less than \$33 million and it does not have a public accountability, as defined by XRB A1.

#### Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

### NOTE 2 STATEMENT OF ACCOUNTING POLICIES

#### General Accounting Policies

The measurement and reporting of profits on a historical cost basis have been followed by the Group, except for specific policies as described below. The reporting currency is New Zealand dollars, and all values are rounded to the nearest dollar. Prior year figures have been reclassified to align with current year presentation.

#### Critical Judgements and Estimates in Applying the Accounting Policies

In the application of the PBE Standards RDR the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. These are based on historical experience and other various factors and are reviewed on an ongoing basis.

The Directors believe that, as at the date of these financial statements, there are no significant sources of estimation uncertainty that have not been disclosed in these notes. The most significant judgements, estimates and assumptions made in the preparation of these financial statements are in respect of the recognition of the deferred tax asset (Note 10).

#### Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of surplus and financial position have been applied. Further particular accounting policies are contained in the relevant notes to the financial statements.

##### (a) Consolidation of Subsidiaries

The Group financial statements incorporate the financial statements of the Company and its subsidiaries. All inter-company transactions, balances and unrealised profits are eliminated on consolidation.

##### (b) Investment in Subsidiaries

At 31 December 2025 the Company had three wholly owned subsidiaries which are all incorporated in New Zealand. Two of these, Local Government Superannuation Trustee Limited ("LGST") and SuperEasy Limited with balance dates of 31 December and Local Government Mutual Funds Trustee Limited ("LGMFTL") with its balance date of 30 June did not have any significant assets, liabilities, revenue or expenses during the years ended 31 December 2024 and 31 December 2025.

LGST is the trustee for Trustee for the Local Government Superannuation Scheme ("LGSS") and SuperEasy KiwiSaver Superannuation Scheme ("SKSS"). The Company provides administrative services to LGSS and SKSS. SuperEasy Limited acts as a name protection company protecting the trading name of the LGST schemes. LGMFTL is the trustee of New Zealand Mutual Liability Riskpool ("Riskpool") and Civic Liability Pool ("CLP"). The Company provides administrative services to Riskpool and CLP.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 2 STATEMENT OF ACCOUNTING POLICIES** CONTINUED**(c) Administration Fees**

Administration fees are recognised at the agreed amounts based on time and expenses incurred.

**(d) Employee Benefits and Directors' Remuneration**

Employee remuneration is recognised as an expense as employee provide services. Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

**(e) Basis of Measuring Other Income and Expenses**

Income and expenses are accounted for on an accruals basis. All revenue is exchange revenue.

**(f) Interest Income**

Interest income is recognised using the effective interest method.

**(g) Changes in Accounting Policies**

There have been no material changes in the accounting policies during the year. All policies have been applied on a basis consistent with those used in the prior year.

**NOTE 3 KEY MANAGEMENT PERSONNEL**

The compensation of the Directors and executives, being the key management personnel of the Group, is set out below.

	2025	2024	2025	2024
	Number		\$	\$
<b>Short term employee benefits</b>				
Executive Management Personnel	5	3	740,740	609,633
Directors	5	6*	117,063	113,441
			<b>857,803</b>	<b>723,074</b>

\*This was the total number of directors paid during the year. There were 5 directors at any given time.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### NOTE 4 FINANCIAL INSTRUMENTS

Accounting Policies:

#### **i) Classification and Measurement**

Financial instruments are transacted on a commercial basis to derive an interest yield / cost with the terms and conditions having due regard to the nature of the transaction and the risks involved. Financial instruments are recognised and accounted for on a settlement date basis.

##### **Loans and Receivables**

Sundry Debtors are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate.

##### **Cash and Cash Equivalents**

Cash and cash equivalents are measured at amortised cost using the effective interest rate.

##### **Financial Liabilities**

Financial liabilities include Sundry Creditors and Accrued Charges. Financial liabilities are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, liabilities are measured at amortised cost.

#### **ii) Offsetting Financial Instruments**

Financial assets and liabilities are not offset as there is no legally enforceable right to set-off.

#### **iii) Asset Quality**

##### **Impairment of Financial Assets**

Financial assets measured at amortised cost are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such condition exists, the asset's recoverable amount is estimated and provision is made for the difference between the carrying amount and the recoverable amount.

As at the date of these Financial Statements, no such evidence of impairment exists.

#### **iv) Fair Value of Financial Instruments**

Fair value measurements recognised in the Statement of Financial Position

Financial instruments are categorised into 3 levels:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(1) Income Relating to Financial Assets**

	2025 \$	2024 \$
<b>Term Deposits and Savings Account</b>		
Interest Income – Term Deposits and Savings Account	429,791	552,013
<b>Total Interest Income</b>	<b>429,791</b>	<b>552,013</b>

**(2) Financial Assets and Liabilities**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their market value, which for these assets and liabilities is also considered to be fair value.

All fixed interest investments carry a minimum credit rating of "A" or equivalent.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(2) Financial Assets and Liabilities** continued*Carrying value of Financial Assets and Financial Liabilities*

	2025 \$	2024 \$
<b>Financial Asset: Amortised Cost</b>		
Sundry Debtors	547,978	421,575
Accrued Interest	127,594	184,596
Cash and Cash Equivalents	183,621	1,445,290
Term Deposits	8,995,000	7,870,665
<b>Total Financial Assets: Amortised Cost</b>	<b>9,854,193</b>	<b>9,922,126</b>
<b>Financial Liability: Amortised Cost</b>		
Sundry Creditors and Accrued Charges	177,218	145,537
<b>Total Financial Liabilities: Amortised Cost</b>	<b>177,218</b>	<b>145,537</b>

**(3) Financial Risk – Structure and Management**

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern. The Group's overall strategy is reviewed annually and remains unchanged.

Financial instruments which potentially subject the Group to a concentration of credit risk consist principally of cash, debtors and interest bearing deposits. The Group has no debt liability instruments.

The Group does not require collateral or other security to support financial instruments with credit risk. As such, no collateral exists for any of the investments held by the Group. The maximum credit risk exposure is the carrying amount of the individual debtor and investment balances.

The Group has placed interest bearing deposits and funds to be managed with financial institutions and limits its amount of credit exposure to any one such institution.

**(a) Market Risk**

All financial assets and liabilities are New Zealand Dollar based and are recorded at amortised cost, therefore changes in interest rates and foreign currency values do not impact on their carrying value.

**(b) Carrying Amount and Fair Value**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their fair value.

**(c) Liquidity Risk**

Liquidity Risk is the risk that the Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. Management of liquidity risk is designed to ensure that the Group has the ability to meet financial obligations as they fall due.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(3) Financial Risk – Structure and Management** continued

The following tables include an analysis of the contractual undiscounted cash flows relating to the Group's financial assets and liabilities categorised by the maturity dates.

<b>Maturity Analysis as at 31 December 2025</b>						
	<b>Interest Rate Spread %</b>	<b>Within 6 months \$</b>	<b>6 to 12 months \$</b>	<b>1 to 2 years \$</b>	<b>2 to 5 years \$</b>	<b>Total \$</b>
<b>Assets</b>						
Cash and Cash Equivalents	0% to 0.9%	183,621	-	-	-	183,621
Term Deposits and Accrued Interest	3.3% to 4%	5,847,269	3,275,325	-	-	9,122,594
Other Receivables	n/a	547,978	-	-	-	547,978
<b>Total Financial Assets</b>		<b>6,578,869</b>	<b>3,275,325</b>	<b>-</b>	<b>-</b>	<b>9,854,193</b>
<b>Liabilities</b>						
Sundry Creditors and Accrued Expenses	n/a	177,218	-	-	-	177,218
<b>Total Financial Liabilities</b>		<b>177,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,218</b>
<b>Maturity Analysis as at 31 December 2024</b>						
	<b>Interest Rate Spread %</b>	<b>Within 6 months \$</b>	<b>6 to 12 months \$</b>	<b>1 to 2 years \$</b>	<b>2 to 5 years \$</b>	<b>Total \$</b>
<b>Assets</b>						
Cash and Cash Equivalents	0% to 4.37%	1,445,290	-	-	-	1,445,290
Term Deposits and Accrued Interest	5.15% to 6.20%	4,452,367	3,602,894	-	-	8,055,261
Other Receivables	n/a	421,575	-	-	-	421,575
<b>Total Financial Assets</b>		<b>6,319,232</b>	<b>3,602,894</b>	<b>-</b>	<b>-</b>	<b>9,922,126</b>
<b>Liabilities</b>						
Sundry Creditors and Accrued Expenses	n/a	145,537	-	-	-	145,537
<b>Total Financial Liabilities</b>		<b>145,537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145,537</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(3) Financial Risk – Structure and Management** continued**(d) Credit Risk**

All investments are in the form of cash held at registered banks and loans. The registered banks have a credit rating of "A" or better.

**(i) Exposure to Credit Risk**

	2025 \$	2024 \$
Cash and Cash Equivalents	183,621	1,445,290
Term Deposits and Accrued Interest	9,122,594	8,055,261
Other Receivables	547,978	421,575
<b>Total</b>	<b>9,854,193</b>	<b>9,922,126</b>

**(ii) Concentration of Credit Exposure**

94% of the Company's credit exposure is in the form of cash and term deposits held with registered banks (2024: 96%).

**NOTE 5 OPERATING LEASE COMMITMENTS**

	2025 \$	2024 \$
<b>Operating Lease Expense Commitments:</b>		
Not later than one year	89,814	73,716
Later than one year but not later than five years	404,042	180,288
Later than five years	342,596	-
	<b>836,452</b>	<b>254,004</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 6 OTHER EXPENSES**

	2025 \$	2024 \$
Compliance Costs	187,059	180,090
Consultants	140,802	87,554
Legal Fees	72,645	80,260
Other Expenses	1,650,295	1,482,678
<b>Total</b>	<b>2,050,802</b>	<b>1,830,582</b>

Other Expenses include investment management fees paid to the fund managers.

**NOTE 7 PROPERTY & EQUIPMENT AND INTANGIBLE ASSETS****Accounting Policy:**

Assets are depreciated on a straight line basis at rates calculated to allocate the assets' cost, in equal instalments over their estimated useful lives which are assessed and regularly reviewed.

**Depreciation Rates**

Office Furniture and Equipment	up to 17 years
Intangibles – Software	2.5 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 7 PROPERTY & EQUIPMENT AND INTANGIBLE ASSETS** CONTINUED

	2025 \$	2024 \$
<b>(a) Property and Equipment</b>		
Office Furniture and Equipment – cost	201,289	187,856
Plus Additions	105,710	13,433
Less Disposals	-	-
<b>Closing Value – cost</b>	<b>306,999</b>	<b>201,289</b>
Office Furniture and Equipment – Accumulated Depreciation	(170,057)	(159,134)
Plus Depreciation Charge	(14,756)	(10,923)
Less Disposals	-	-
Closing Accumulated Depreciation	(184,813)	(170,057)
<b>Net Book Value</b>	<b>122,186</b>	<b>31,232</b>

The Total Comprehensive Surplus After Tax in the Statement of Comprehensive Income includes losses on disposal of fixed assets of \$nil (2024:\$nil).

	2025 \$	2024 \$
<b>(b) Intangible Assets</b>		
Software – cost	506,219	436,911
Plus Additions	57,397	69,308
Less Disposals	-	-
<b>Closing Value – cost</b>	<b>563,616</b>	<b>506,219</b>
Software – Accumulated Amortisation	(455,393)	(413,749)
Less Amortisation Charge	(35,166)	(41,644)
Less Disposals	-	-
Closing Accumulated Amortisation	(490,559)	(455,393)
<b>Net Book Value</b>	<b>73,057</b>	<b>50,826</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### NOTE 8 ANALYSIS OF FINANCIAL ASSETS NOT IMPAIRED

There are no financial assets that are impaired or past due at balance date (2024: \$nil).

### NOTE 9 CONTINGENT LIABILITIES

There are no contingent liabilities (2024: \$nil).

### NOTE 10 TAXATION

#### Accounting Policies:

#### i) Current Tax

The current income tax expense charged against the profit for the year is the estimated liability in respect of the taxable profit. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets are offset only when there is a legally enforceable right to set off the recognised amounts, and an intention to settle on a net basis.

#### ii) Deferred Tax

The liability method of accounting for deferred taxation is applied on a comprehensive balance sheet basis in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income.

Significant judgements, estimates and assumptions are made in respect of the recognition of the deferred tax asset. It is recognised that the deferred tax asset will be utilised over 10 years. The Group expects to remain profitable and have a steady income stream over the medium to long term.

#### iii) Goods and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority the GST is recognised as part of the cost of the acquisition of the assets or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 10 TAXATION** CONTINUED**(a) Income tax recognised in the Statement of Comprehensive Income**

	2025	2024
	\$	\$
<b>Tax expense comprises:</b>		
Current tax expense	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	1,883
Deferred tax relating to temporary differences	9,396	74,378
<b>Total tax expense</b>	<b>9,396</b>	<b>76,261</b>
<b>Attributable to:</b>		
Continuing operations	9,396	76,261
	<b>9,396</b>	<b>76,261</b>

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2025	2024
	\$	\$
Surplus before tax	22,881	262,626
Income tax calculated at 28%	6,407	73,536
Tax effect of permanent differences	2,989	842
Prior Period Adjustment	-	1,883
<b>Income Tax Expense</b>	<b>9,396</b>	<b>76,261</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 10 TAXATION** CONTINUED**(b) Current tax assets and liabilities**

	2025	2024
	\$	\$
Tax refund receivable	-	-
	-	-

**(c) Deferred tax balances**

	2025	2024
	\$	\$
<b>Deferred tax assets comprise:</b>		
Temporary differences and tax losses	833,982	843,378
	833,982	843,378
<b>Deferred tax liabilities comprise:</b>		
Temporary differences	-	-
	-	-
<b>Net Deferred Tax balance</b>	<b>833,982</b>	<b>843,378</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 10 TAXATION** CONTINUED**(c) Deferred tax balances continued**

Gross taxable and deductible temporary differences for the Group arise from the following:

	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Prior Period Adjustment \$	Closing Balance \$
Property and equipment	-	-	-	-	-
	-	-	-	-	-
Employee entitlements	71,801	19,777	-	-	91,578
Losses carried forward	2,940,267	(53,335)	-	-	2,886,932
<b>2025</b>	<b>3,012,068</b>	<b>(33,558)</b>	<b>-</b>	<b>-</b>	<b>2,978,510</b>
<b>Attributable to:</b>					
Continuing operations	3,012,068	(33,558)	-	-	2,978,510
<b>Total</b>	<b>3,012,068</b>	<b>(33,558)</b>	<b>-</b>	<b>-</b>	<b>2,978,510</b>
Tax effect at 28%	843,378	(9,396)	-	-	833,982
Property and equipment	451	(451)	-	-	-
	<b>451</b>	<b>(451)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee entitlements	84,543	(6,016)	-	(6,726)	71,801
Losses carried forward	3,199,436	(259,169)	-	-	2,940,267
<b>2024</b>	<b>3,283,979</b>	<b>(265,185)</b>	<b>-</b>	<b>(6,726)</b>	<b>3,012,068</b>
<b>Attributable to:</b>					
Continuing operations	3,284,430	(265,636)	-	(6,726)	3,012,068
<b>Total</b>	<b>3,284,430</b>	<b>(265,636)</b>	<b>-</b>	<b>(6,726)</b>	<b>3,012,068</b>
Tax effect at 28%	919,639	(74,378)	-	(1,883)	843,378

The deferred tax asset relating to tax losses carried forward has been recognised to the extent that the financial forecasts anticipate the Group maintaining sufficient profitability in future financial years to utilise these losses. The deferred tax asset is reviewed regularly and at balance date against forecast profits. The Directors believe that it is probable that sufficient taxable profits will be available in the future against which the unused tax losses can be utilised. The deferred tax asset does not include unrecognised tax losses of \$4,157,181 (2024: \$4,163,472) and unrecognised deferred tax asset effect at 28% of \$1,164,011 (2024: \$1,165,772).

**(d) Imputation Credit Account**

	2025 \$	2024 \$
<b>Closing Balance</b>	<b>1,593,490</b>	<b>1,593,490</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 11 RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW FROM OPERATING ACTIVITIES****Accounting Policy:**

*The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Income. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to, the taxation authority is classified as operating cash flow.*

**The following are definitions of the terms used in the Statement of Cash Flows:**

- *Bank comprises cash on hand and demand deposits.*
- *Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of Cash and which are subject to insignificant risk of changes in value.*
- *Cash flows are inflows and outflows of cash and cash equivalents.*
- *Operating activities are the principal revenue producing activities of the entity and other activities that are not investing or financing activities.*
- *Investing activities are the acquisition and disposal of long-term assets.*
- *Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 11 RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW  
FROM OPERATING ACTIVITIES** CONTINUED

	2025 \$	2024 \$
<b>Total Comprehensive Surplus</b>	13,485	186,365
<b>Add/(less) non cash items</b>		
Depreciation	14,756	10,923
Amortisation	35,166	41,644
	49,922	52,567
<b>Add/(less) movements in consolidated position of financial statement items</b>		
Sundry Debtors, Prepayments and Accrued Interest	(115,746)	295
Sundry Creditors and Accrued Charges	68,714	(52,650)
Movement in CLP/ Riskpool Admin Fee Reserve	-	(20,410)
Movement in Deferred Tax Asset	9,396	76,261
	(37,636)	3,496
<b>Add/(less) Items Classified as Investing Activity</b>		
Investment Income	(486,790)	(432,673)
	(486,790)	(432,673)
Add/(Less) Items Classified as Financing Activity	-	-
<b>Net Cash Flow (used in) / from Operating Activities</b>	(461,019)	(190,245)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 12 ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE****(a) Accounts Receivable and Prepayments**

	2025 \$	2024 \$
Accounts Receivable	547,978	421,575
Prepayments	94,473	48,128
<b>Sundry Debtors and Prepayments</b>	<b>642,451</b>	<b>469,703</b>

**(b) Accounts Payable and Accrued Charges**

	2025 \$	2024 \$
Accounts Payable and Accrued Charges	177,218	145,537
GST Payable	13,661	385
<b>Accounts Payable and Accrued Charges</b>	<b>190,879</b>	<b>145,922</b>

**NOTE 13 LOANS*****Loan Receivable***

Local Government Mutual Funds Trustee Limited is the trustee of Riskpool and Civic Liability Pool (CLP). The Company provides administrative services to Riskpool and CLP.

The Company and Local Government Mutual Funds Trustee Limited on behalf of CLP have an agreement whereby the Company funds any claims payable for CLP under the Trust Deed, without charge to the Trust, which will be reimbursed by CLP in respect of any such claim payments when CLP receives the applicable reinsurance payments on the claims.

The loan outstanding at 31 December 2025 is \$nil (2024: \$nil).

The loan facilities that previously existed between Civic and LGMFT on behalf of Riskpool were fully repaid and terminated in 2024. A new loan agreement providing short term funding of up to \$1,000,000 was entered into between Civic and LGMFT, on behalf of Riskpool, during the year. No funding has been drawn down under the new agreement. The loan outstanding at 31 December 2025 is \$nil (2024: \$nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 14 AUDIT FEES**

A breakdown of the fees paid to the auditors is below:

	2025 \$	2024 \$
<b>Audit or Review Related Services</b>		
Civic Financial Services	58,207	52,327
Civic Liability Pool	33,100	-
Local Government Superannuation Trustee	75,849	73,786
<b>Total Audit or Review Related Services</b>	<b>167,156</b>	<b>126,113</b>
<b>Other Assurance Services</b>	<b>38,005</b>	<b>37,298</b>
<b>Total Fees Paid to the Auditors</b>	<b>205,161</b>	<b>163,411</b>

The Other Assurance Services relate to the ISAE (NZ) 3402 Controls Assurance Engagement and the other assurance provided in respect of the LGST schemes' member registries.

**NOTE 15 SHAREHOLDERS' EQUITY**

The Share Capital of the Group comprises solely authorised and issued ordinary shares with each share ranking equally in votes, dividends and surpluses. There were no shares issued during 2025 (2024: nil).

	2025 \$	2024 \$
<b>Retained Earnings</b>		
Opening Balance (Deficit)	(102,434)	(288,799)
Net Surplus After Taxation	13,485	186,365
Dividend Payment	-	-
<b>Closing balance</b>	<b>(88,949)</b>	<b>(102,434)</b>
<b>Shareholders Capital</b>		
Opening Balance	10,763,506	10,763,506
Ordinary Shares issued during the year	-	-
<b>Closing balance</b>	<b>10,763,506</b>	<b>10,763,506</b>
<b>Number of Ordinary Shares Fully Paid</b>	<b>11,249,364</b>	<b>11,249,364</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**NOTE 16 EQUITY RETAINED FOR FINANCIAL SOUNDNESS**

All shareholder equity is retained to ensure the financial soundness of the Group with cash being retained for cash flow purposes.

**NOTE 17 RELATED PARTIES**

The Company provided administration services to related parties during the year to NZ Local Authority Protection Programme (LAPP), NZ Mutual Liability Riskpool (Riskpool), Local Government Superannuation Trustee (Trustee of the Local Government Superannuation Scheme (LGSS) and SuperEasy KiwiSaver Superannuation Scheme (SKSS) and Civic Property Pool (CPP). There were no related party transactions with CPP in either of the last two years.

The income derived from the administration services as well as year end accounts receivable are detailed in the table below. Refer to Note 13 for the terms and information relating to loans with related parties.

**Administration Fees**

	2025 \$	2024 \$
LGSS & SKSS	2,648,356	2,545,137
LAPP	356,667	316,667
Riskpool	411,200	156,800
Civic Liability Pool	-	20,411
<b>Administration Fees from Related Parties</b>	<b>3,416,223</b>	<b>3,039,014</b>

**Accounts Receivable**

	2025 \$	2024 \$
LGSS & SKSS	432,957	421,460
LAPP	113,156	115
Riskpool	1,718	-
Other*	147	-
<b>Accounts Receivable from Related Parties</b>	<b>547,978</b>	<b>421,575</b>

\*Other relates to amount owed by key management personnel

**NOTE 18 SUBSEQUENT EVENTS**

There have been no material events subsequent to 31 December 2025 that require adjustment to or disclosure in the financial statements (2024: nil).

**NOTE 19 CAPITAL COMMITMENTS**

The Company has no capital commitments at balance date (2024: \$nil).

# CIVIC FINANCIAL SERVICES SHAREHOLDERS

## AS AT 31 DECEMBER 2025

SHAREHOLDER MEMBER	NO. OF SHARES		SHAREHOLDER MEMBER	NO. OF SHARES	
<b>CITY COUNCILS</b>			<b>DISTRICT COUNCILS (Cont'd)</b>		
Auckland	2,195,042	19.51%	Rangitikei	35,338	0.31%
Christchurch	1,417,704	12.60%	Rotorua	175,906	1.56%
Dunedin	470,966	4.19%	Ruapehu	56,666	0.50%
Hamilton	202,729	1.80%	South Taranaki	135,496	1.20%
Hutt	479,822	4.27%	South Waikato	42,374	0.38%
Invercargill	407,927	3.63%	South Wairarapa	53,930	0.48%
Napier	283,842	2.52%	Southland	13,715	0.12%
Nelson	95,543	0.85%	Stratford	65,608	0.58%
Palmerston North	411,737	3.66%	Tararua	99,972	0.89%
Porirua	140,146	1.25%	Tasman	65,584	0.58%
Tauranga	124,242	1.10%	Taupo	83,971	0.75%
Upper Hutt	51,209	0.46%	Thames-Coromandel	27,120	0.24%
Wellington	526,821	4.68%	Timaru	230,118	2.05%
<b>DISTRICT COUNCILS</b>			Waikato	41,070	0.37%
Ashburton	56,016	0.50%	Waimakariri	88,172	0.78%
Buller	27,698	0.25%	Waimate	30,458	0.27%
Carterton	23,642	0.21%	Waipa	149,082	1.33%
Central Hawke's Bay	28,580	0.25%	Wairoa	22,992	0.20%
Central Otago	91,238	0.81%	Waitaki	120,000	1.07%
Clutha	33,711	0.30%	Waitomo	16,940	0.15%
Far North	85,440	0.76%	Western Bay of Plenty	28,142	0.25%
Gisborne	99,404	0.88%	Westland	28,356	0.25%
Gore	54,589	0.49%	Whakatane	38,788	0.34%
Grey	33,742	0.30%	Whanganui	289,660	2.57%
Hastings	129,170	1.15%	Whangarei	63,524	0.56%
Hauraki	63,434	0.56%	<b>REGIONAL COUNCILS</b>		
Horowhenua	110,689	0.98%	Bay of Plenty	55,000	0.49%
Hurunui	14,000	0.12%	Canterbury	152,696	1.36%
Kaikoura	10,000	0.09%	Hawke's Bay	20,000	0.18%
Kaipara	13,629	0.12%	Horizons	2,000	0.02%
Kapiti Coast	15,060	0.13%	Southland	10,000	0.09%
Kawerau	31,161	0.28%	Taranaki	1,000	0.01%
Manawatu	203,964	1.81%	Waikato	22,000	0.20%
Marlborough	86,022	0.76%	Wellington	80,127	0.71%
Masterton	127,230	1.13%	<b>OTHER</b>		
Matamata-Piako	122,554	1.09%	TrustPower	137,251	1.22%
New Plymouth	441,456	3.92%	<b>Total Shares</b> <span style="float: right;"><b>11,249,364</b></span>		
Opotiki	20,000	0.18%			
Otorohanga	5,000	0.04%			
Queenstown-Lakes	31,149	0.28%			